



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 24**
Streamlining Draft **AGEB 15**

Date: November 17, 2009 2:25 PM	Author:
Dept./Agy.:	Analyst: Travis McIlwain
Subject: Abolishes all statutory dedicated funds	

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Abolish certain special funds in state treasury

The Louisiana Streamlining Government Commission recommends sunseting and abolishing all special funds in the State Treasury and the statutes establishing such special funds, with some exceptions, as of June 30, 2011, after a full and comprehensive review by the Joint Legislative Committee on the Budget by December 31, 2010. The following funds meeting the listed criteria would be exempted: 1.) Funds protected by the Constitution, 2.) Funds established solely as a requirement of grants, donations or other forms of assistance, 3.) Funds established solely as a requirement of court or regulatory agency orders or judgments, 4.) Funds established solely as a requirement of contracts of the state or of its agencies, boards, or commissions, including contracts related to the issuance of bonds, notes, and other indebtedness, 5.) Funds provided by law for money received by a state board, agency, authority, or commission which is mainly composed of and represents members of a trade, business or professional association from fees or assessments paid by the members, 6.) Judiciary funds, 7.) Retirement funds.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

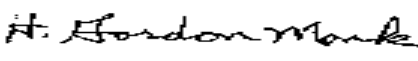
To the extent statutorily dedicated funds are abolished that currently fund state expenditures, alternative funding sources, state general fund or another means of financing will be required to continue these state services.

REVENUE EXPLANATION

Upon the review by the Joint Legislative Committee on the Budget (JLCB) by December 31, 2010, this recommendation sunsets and abolishes all special funds in the state treasury, which will result in an unknown increase in state general fund revenues and a like amount decrease in dedicated revenues.

According to the Treasury, there are approximately 391 total statutory dedicated funds. Of these 391 funds, approximately 33 are constitutional funds and 358 are statutory funds. For illustrative purposes, according to Treasury, at the end of June 30, 2009, all statutory dedicated funds in aggregate had a year-end fund balance of \$8.1 billion. FY 09 collections were \$4.9 billion, inclusive of interest earnings. Since this recommendation provides for specific fund exclusions, the impact of this recommendation will be some amount less than \$8.1 billion in FY 12 and \$4.9 billion annually in subsequent fiscal years. The Legislative Fiscal Office cannot definitively determine which funds would ultimately be deemed as excluded in this recommendation.

Act 492 of 2009 requires annual reporting and a biennial review of statutorily created funds to the Joint Legislative Committee on the Budget (JLCB). Beginning October 1, 2009 and every 2 years the Division of Administration (DOA) is charged with the responsibility to develop a plan and schedule the review of approximately 25% of the special funds and dedications. To the extent this recommendation is adopted, this plan will likely have to be accelerated. Act 492 provides for the same statutory dedicated fund exclusions as presented within this recommendation. The JLCB is currently in the process of reviewing 75 statutory dedicated funds.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	H. Gordon Monk Legislative Fiscal Officer